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THE WHOLESALE PRODUCE MARKET AT BIRMINGHAM, ALA.



U.S. DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service

in cooperation with
Agricultural Extension Service
and
Agricultural Experiment Station
Alabama Polytechnic Institute



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* * *

The study on which this report is based was conducted under authority of the Agricultural Marketing Act of 1946 (RMA, Title II).

PREFACE

For many years farmers and wholesale distributors of food in Birmingham have been faced with the problem of expanding their business to meet the needs of a rapidly growing population. . Simultaneously, these groups have found it necessary to adjust their business methods to keep pace with changes in production, transportation, and other factors that have greatly influenced the distribution pattern. Almost without exception, such facility expansion and improvements as have been made have been carried out through independent action.

During its more than 30 years of existence, the Jefferson County Truck Growers Association has taken an active part in providing wholesale facilities in the market. Its present market, established in 1928, is the only wholesale farmers market in the city. On this property the association has also provided space for truckers and stores for numerous fruit and vegetable dealers. From time to time, facilities at this location have been improved and expanded to a point where now the capacity of the land area is overtaxed. There is no opportunity to add to the area now used. For several years officers and directors of the Jefferson County Truck Growers Association have been confronted with the serious problem of how best to approach and meet the needs for further improvement of their own and related wholesale facilities.

In February 1953, directors of the Jefferson County Truck Growers Association formally requested the U. S. Department of Agriculture and the Alabama Polytechnic Institute to make a study of the present wholesale market and to suggest plans for its improvement.

In May and June of 1953, a representative of what is now the Transportation and Facilities Branch of the Agricultural Marketing Service, U. S. Department of Agriculture, cooperated with representatives of the Extension Service and the Agricultural Experiment Station, Alabama Polytechnic Institute, in making the study on which this report is based.

In October 1953, at a 2-day conference at Auburn, Ala., the report was reviewed by its authors. A spokesman for the Jefferson County Truck Growers Association was present at these meetings and made valuable suggestions that have been incorporated in the report.

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SUMMARY

Fresh fruits and vegetables are sold in wholesale quantities in Birmingham by dealers, farmers, and truckers in facilities scattered over the congested downtown section of the city. Stores of wholesale dealers in eggs, poultry, and meats are more widely diffused.

Fruits and vegetables constitute a major part of the total tonnage of perishable foods moving through the market. About 90 percent of these fruits and vegetables come to the city by rail and motortruck from producing areas at considerable distances from Birmingham. Farms within 80 miles of the city furnish only about 10 percent of the volume. The facilities through which these products are handled have been located, expanded, and improved from time to time through the action of independent owners.

Six dealers who handle direct receipts, consisting mainly of arrivals from distant producing areas and amounting to about 70 percent of all fruits and vegetables handled by independent operators in the market, are located in reasonably modern stores. The stores where rail receipts are unloaded have rail connections, and all six stores have platforms of truck-bed height.

Farmers, truckers, and numerous small dealers occupy space on the Jefferson County Truck Growers Association Market, located in a highly congested area on both sides of a heavily traveled city street. On this market, space for farmers and truckers is restricted and buildings for dealers are neither designed nor arranged for efficient operation. The limited area on which this market is situated prevents expansion and rearrangement of facilities to overcome its present defects.

All who do business on the Jefferson County Truck Growers Association Market deplore their present situation and recognize the benefits that would come to the industry if all wholesale business could be consolidated in a single market. Their views as to the desirability of a consolidated market are shared by other dealers in fruits and vegetables and by some dealers in poultry, eggs, and meats. It appears, however, that few Birmingham wholesalers other than those on the Jefferson County Truck Growers Association Market would, at the present time, lend active support to the development of a consolidated market.

In view of this situation it was deemed advisable to develop a plan which would call for relocation and improvement of only those facilities now on the truck growers' market. Space would also be included for two other dealers not now located on this market. To serve the needs of farmers, truckers, and 12 small dealers who said they would use space in a new location, and to provide a store for handling farm supplies, a layout was prepared for new facilities which could be constructed on any one of 7 suggested sites. Principal facilities included in the layout are: 9 wholesale stores $22\frac{1}{2}$ feet by 60 feet, having rail connections; a dealer-truckers' shed with 11 stalls; and a farmers' shed of center-driveway type containing 50 stalls. In addition, a large area is set aside where open stalls for farmers would be provided and in which any vehicles visiting the market could park without interference. The entire market should be fenced.

To provide for initial construction and for the inclusion of additional business at a later date, the site should contain at least 15 acres. The cost of developing a market of this description, including cost of land, was estimated at \$365,000 on 5 of the sites and \$415,000 and \$465,000 on the other 2 sites.

Market improvements under this plan could be undertaken by the Jefferson County Truck Growers Association or by a private nonprofit corporation chartered to build and manage the market. Dealers, farmers, and others using the market might participate in such a venture.

Annual revenues necessary to meet operating costs, including amortization and tax payments, were estimated at about \$66,000 on any of the 5 lower-cost sites and approximately \$72,000 on the higher-cost sites. These annual operating costs include a reserve for contingencies of about 17 percent. Revenues necessary to meet these costs of operation would come from rents and fees assessed for use of facilities, and would be higher than those now paid. These higher rents would be offset by reducing the losses now sustained through operation in poor facilities, by savings in labor cost, and by savings in time. Net annual savings to 12 smaller dealers were estimated at \$26,815. Savings to farmers and truckers to be brought about through the savings of time were estimated at \$18,750 annually. The estimated annual savings to dealers, farmers, and truckers through operations in improved facilities would total \$45,565.

In the beginning a new facility would attract an estimated 30 percent of the overall wholesale business in fruits and vegetables handled by independent dealers in the city. The disadvantages of wholesale business conducted in scattered locations would be continued at least for the present. Diffusion of business can be held to a minimum by discontinuing wholesale operations in the present farmers market when a move is made.

Local interests will have to decide whether to proceed now, along the lines suggested in the expedient plan, or to defer action until changed situations stimulate greater interest and attract a higher proportion of the business to a new facility.

THE WHOLESALE PRODUCE MARKET AT BIRMINGHAM, ALA.

By Saxon D. Clark, agricultural economist,
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AREA SERVED BY THE BIRMINGHAM MARKET

More than half a million people in Birmingham and its metropolitan area depend on the city's wholesale markets for the major part of their food requirements. Food from Birmingham's wholesale markets also finds outlets in many smaller Alabama towns and cities. The territory normally served is shown in figure 1. Occasional shipments are made to southern Tennessee, including Chattanooga, and to eastern Mississippi. Birmingham is an important market for the products of farms within 80 miles of the city but a much greater part of the foods moving through its wholesale markets comes into the city by rail and by truck from more distant producing areas.

Birmingham is served by eight rail lines: Atlantic Coast Line Railroad Company; Central of Georgia Railway Company; Gulf, Mobile, and Ohio Railroad; Illinois Central Railroad; Louisville and Nashville Railroad Company; Seaboard Air Line Railroad Company; St. Louis - San Francisco Railway Company; and Southern Railway System. Two belt-line and connecting railways operate within the city. (See fig. 2.) All the rail carriers coming into the city deliver perishable freight to the markets. However, the largest part of perishable foods transported by rail for unloading in Birmingham arrives by way of the St. Louis - San Francisco Railway Company, the Louisville and Nashville Railroad Company, the Illinois Central Railroad, and the Southern Railway System.

Numerous good highways offer routes over which trucks serving the wholesale markets move into and out of the city. Principal highway routes are U. S. Nos. 11, 31, 78, and State routes 32, 38, 91, and 149. (See fig. 2.)

Farmers in 8 Alabama counties near Birmingham produce important quantities of fruits and vegetables for commercial sale. Most of this production area is within 80 miles of the city. Estimated 1952 acreage of principal commercial fruit and vegetable crops in this area is shown in table 1.

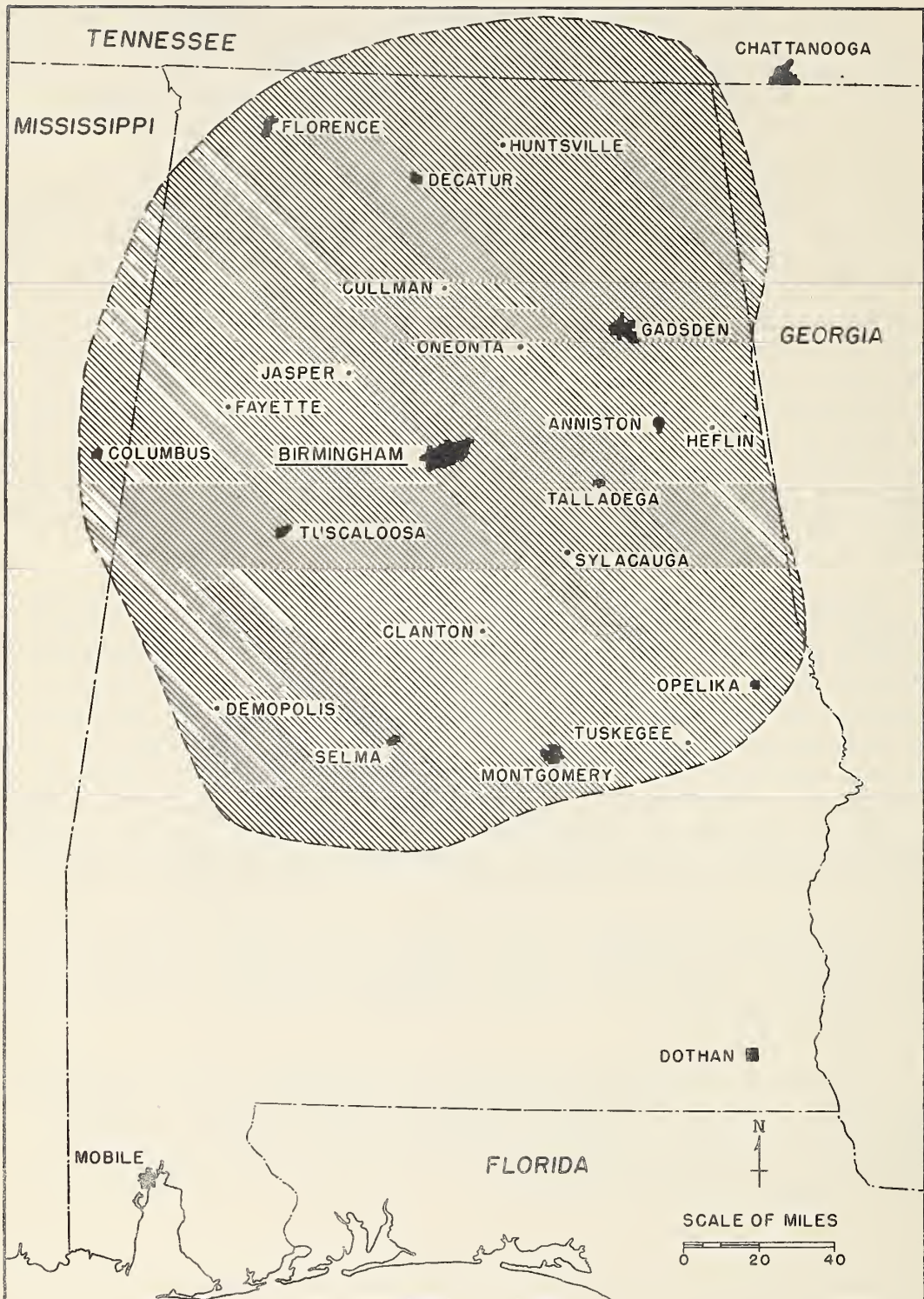


Figure 1.--The shaded section shows the area normally served from the Birmingham Market.

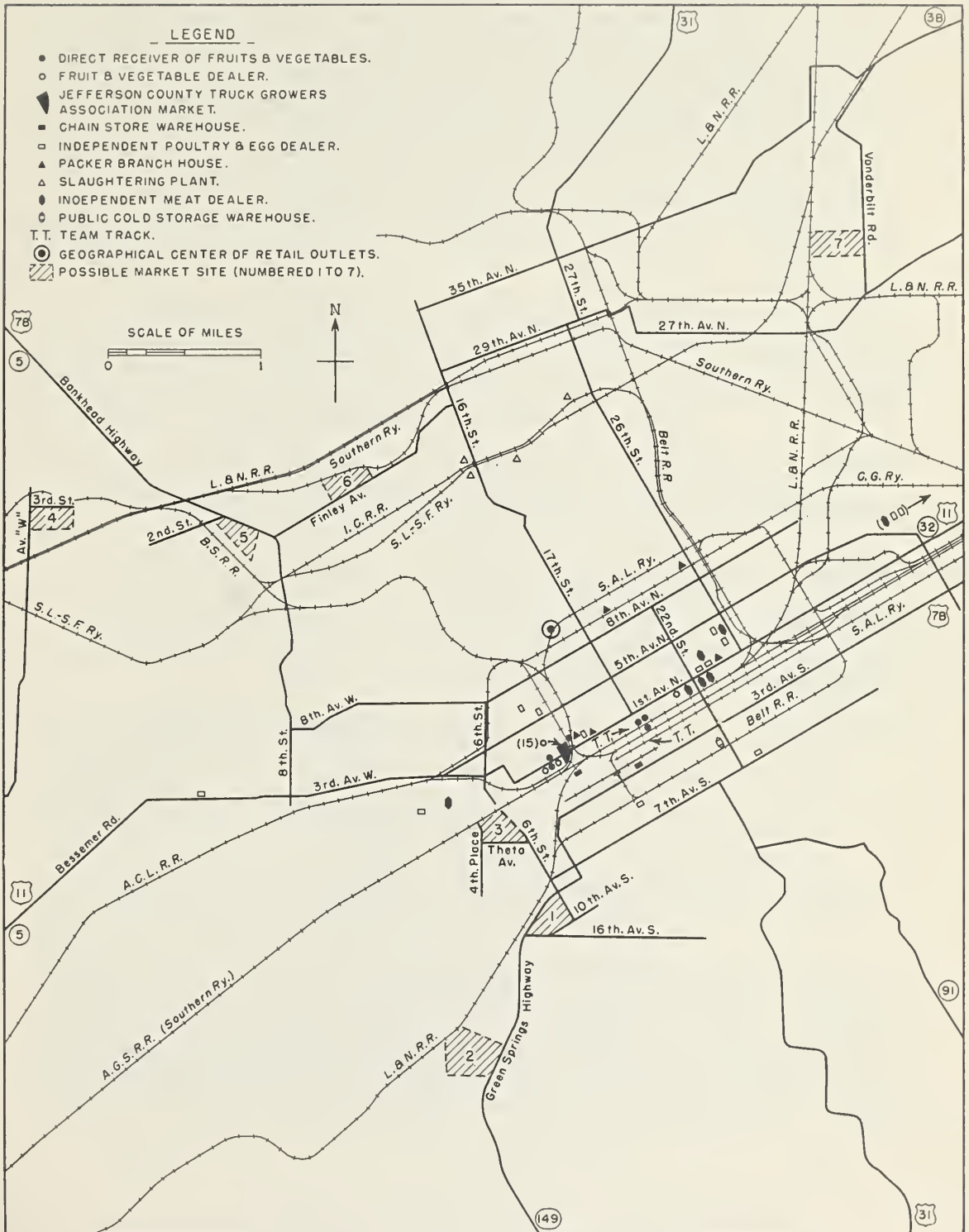


Figure 2.--Map of Birmingham showing points pertinent to the wholesale distribution of food.

Table 1.--Estimated acreage of important fruit and vegetable crops grown in Birmingham market area, 1952 1/

Crop	:	In 8 counties <u>2/</u>
	:	<u>Acres</u>
String beans	:	1,830
Lima beans	:	1,700
Field peas	:	1,775
Green corn	:	8,245
Greens	:	3,100
Squash	:	2,100
Sweetpotatoes	:	4,575
Tomatoes	:	5,200
Peaches	:	4,600
Strawberries	:	450
Watermelons	:	3,670
Total 11 crops	:	37,245

1/ Reported by county agents.

2/ Counties included: Blount, Chilton, Cullman, Etowah, Jefferson, St. Clair, Tuscaloosa, and Walker.

The highly commercialized Baldwin-Mobile area is nationally known for its production of potatoes, green corn, cucumbers, and cabbage. Extensive acreages of lima beans, field peas, greens, and watermelons are harvested and shipped from Houston County. Many shipments, principally by truck, come into the Birmingham market from these areas, which are 200 to 250 miles south of the city.

Much produce from the nearby 8 counties is consumed in Birmingham and the territory normally served by wholesale markets in the city. Nearby production is sold in various ways—direct sales at the farm, sales on farmers' markets in Birmingham and at other locations, sales to city wholesale dealers, and sales to chain store warehouses. In the case of many crops, production in excess of local demand is shipped by rail or truck to distant markets. Peaches, watermelons, tomatoes, green corn, and sweet-potatoes make up the usual movement to out-of-State markets, shipments being handled by established shipping point dealers and by merchant truckers.

To determine sales methods now used by farmers, 80 commercial growers in 8 counties were interviewed during the survey. This representative group included large and small farmers from scattered sections and those who produce a wide variety of fruits and vegetables. The result of these interviews is shown in table 2.

Table 2.—Methods of sale used in 1952 as reported by 80 commercial growers of fruits and vegetables, producing on about 3,000 acres, in 8 Alabama counties 1/

Method of sale	: Acreage from : : which products : : were sold :	Percentage of total acreage
	: <u>Acres</u>	<u>Percent</u>
Sold on Jefferson County Truck Growers Association Market, Birmingham	: : : 1,260	: : : 42
Sold on farmers' markets in other cities: Atlanta, Montgomery, Mobile, New Orleans, Decatur, Columbus, Ga.	: : : : 120	: : : : 4
Sold to truckers at farm	: 90	: 3
Delivered to wholesale dealers in cities	: : 60	: : 2
Delivered to chain store warehouses:	: 180	: 6
Delivered to retail stores	: 30	: 1
Sold by shipping point dealers	: 1,200	: 40
Other outlets, including retail routes, canners, roadside stands	: : 60	: : 2
Total	: : 3,000	: : 100

1/ Counties included: Blount, Chilton, Cullman, Etowah, Jefferson, St. Clair, Tuscaloosa, and Walker.

Birmingham is in a deficit area with respect to the production of eggs and poultry. Only a small part of the demand for shell eggs is met by local production, chiefly that of farm flocks. The principal sources of supply are the large commercial areas of the Middle West. Wholesale poultry dealers in the Birmingham area get most of their supplies of live birds from commercial sections in northeastern Alabama and smaller quantities from Georgia.

Nearby farms furnish only a small part of the meat animals slaughtered in Birmingham. These slaughtering plants receive meat animals from more distant sections of Alabama and from sources outside the State. The requirements of consumers in the Birmingham area for meat and meat products are met largely by shipments of these products into Birmingham from packing plants outside the State.

WHOLESALE BUSINESS IN BIRMINGHAM MARKET

The wholesale business in fruits and vegetables in Birmingham is handled by several dealer groups, each of which performs a fairly definite service.

Six dealers are direct receivers of fruits and vegetables, principally from distant producing areas. Three of these dealers who handle a variety of produce also receive a small volume from nearby farms. Two handle bananas exclusively and the sixth dealer receives vegetables only from distant areas. The principal customers of these direct receivers are smaller wholesale dealers in the city, chain stores, dealers from towns in the distribution area, and truckers who assemble loads in the market. It has been estimated that more than 90 percent of the produce handled by these six dealers is loaded onto trucks of buyers at wholesale stores or from rail cars on team tracks. Less than 10 percent is delivered to premises of buyers, mostly within the metropolitan area, by trucks of the wholesale dealers.

Eighteen small wholesale dealers obtain their supplies as follows: About 50 percent from the 6 large dealers, about 35 percent direct from distant producing areas, and about 15 percent from local farms. Most of the direct receipts of these dealers are by truck. Their rail receipts are few and consist of less perishable commodities like potatoes, onions, apples, and cabbage. Three of these dealers specialize in one or two commodities. One deals exclusively in tomatoes, another sells citrus fruit in season, and a third handles only potatoes and onions. Others in this group handle a nearly complete line of fruits and vegetables. These dealers supply fruits and vegetables to independent retail stores, restaurants, hotels, and institutions within the metropolitan area. All operate trucks to make deliveries to customers in the

metropolitan area and two of them service customers along regular routes to towns and cities within a 40-mile radius of Birmingham. They also sell to local peddlers and to truckers who distribute fruits and vegetables in cities and towns outside the metropolitan area. About two-thirds of the volume sold by these 13 dealers is delivered by their own trucks and one-third is picked up by trucks of buyers.

Farmers and truckers who occupy regular spaces on the market operated by the Jefferson County Truck Growers Association handle important quantities of fresh fruits and vegetables. These offerings consist of produce from nearby farms and distant producing areas. Sales are made to wholesale dealers in Birmingham and nearby towns, to chain stores, to buyers from independent retail stores, to peddlers, and to truckers who distribute along routes in the distribution area. Also, on this market much produce is sold directly to consumers.

One national chain store company and one local chain operate warehouses in Birmingham where they receive direct shipments of fruits and vegetables from distant areas by rail and by truck and also take delivery of much produce from nearby farms. The national chain distributes fruits and vegetables from this warehouse to retail stores in Birmingham and numerous other towns and cities in Alabama and eastern Mississippi. The local chain's warehouse services stores in the metropolitan area.

The following tabulation shows estimated direct receipts of fruits and vegetables in Birmingham in 1952 by wholesale dealers and chain store warehouses, and by farmers and truckers selling on the Jefferson County Truck Growers Association Market. These figures do not include sizable but unestimated quantities of fruits and vegetables delivered by farmers and truckers direct to retail outlets and to household buyers.

<u>Direct receipts by:</u>	<u>Carlots or carlot equivalents</u>
Rail	4,150
Truck, from distant producing areas	7,000
Truck, from nearby farms	<u>1,500</u>
Total direct receipts	12,650

It has been estimated that the equivalent of approximately 8,500 cars, or 67 percent of this total volume, was distributed in the metropolitan area and about 4,150 carlot equivalents, or 33 percent, went to towns and cities in the territory normally served from Birmingham.

The wholesale business in poultry and eggs is conducted by 20 independent dealers and 5 branch houses of national packers. Processing in local plants is done under the supervision of the Birmingham-Jefferson County Board of Health. The dressed poultry is delivered to retail stores, restaurants, hotels, and other outlets in the metropolitan area, mainly by trucks operated by the wholesale dealers. Several of the independent dealers also deliver along established routes in cities and towns outside the metropolitan area. These independent dealers also receive eggs by truck from nearby farms and from producing areas in Missouri, Iowa, and other Midwestern States. Eggs are candled and usually put up in cartons for delivery to the same outlets supplied with dressed poultry.

The packer branch houses receive dressed poultry from processing plants in distant production areas, and eggs from the same sources that supply the independent dealers. Packer branch houses candle and carton eggs. The distribution pattern of eggs and dressed poultry from packer branch houses corresponds closely to that of independent dealers. Their trucks, covering established delivery routes, usually distribute mixed loads of meat, packing house products, poultry, and eggs.

Numerous dealers and processors are engaged in handling meat and meat products at wholesale in Birmingham. In the metropolitan area, 2 slaughtering plants operate under Federal inspection and 5 others under the supervision of the Birmingham-Jefferson County Department of Health. Eight independent dealers process sausage and other meat products. Five national packers have branch houses in the city.

In 1952 the 7 slaughtering plants in Jefferson County produced important quantities of meat and meat products. The number of animals slaughtered in these plants is shown in table 3.

Products from these slaughtering plants supply only a part of the requirements of the area for this type of food. Much larger, but undetermined, quantities come into the city by rail and truck from distant producing areas for handling by packer branch houses and independent dealers. Distribution of products from the slaughtering plants operating under city-county inspection is restricted to Alabama, but products from the federally inspected plants may go to markets outside the State.

Table 3.—Meat animals slaughtered in 7 plants in Jefferson County, Ala., 1952 1/

Type	: Produced in	: Brought into	: Total
	: Alabama	: Alabama	:
	: <u>Number</u>	: <u>Number</u>	: <u>Number</u>
Cattle	: 20,698	: 11,486	: 32,184
Hogs	: 153,574	: 71,975	: 225,549
Calves	: 10,028	: 4,350	: 14,378
Sheep	: 78	: -	: 78
Goats	: 221	: -	: 221
Total, all types	: 184,599	: 87,811	: 272,410

1/ Bureau of Food and Dairy Inspection, Department of Health, Birmingham, Jefferson County.

DESCRIPTION OF WHOLESALE MARKET FACILITIES

The principal wholesale fruit and vegetable market in Birmingham is the area around the Jefferson County Truck Growers Association Market, which is on both sides of 1st Avenue, North, between 11th and 12th Streets. The farmers and truckers' market, wholesale stores, chain store warehouses, and team tracks, which will be described in the following paragraphs, nearly all are located within an area of five city blocks.

Jefferson County Truck Growers Association Market

The property of the Jefferson County Truck Growers Association, on both sides of 1st Avenue, North, contains a total of nearly 5½ acres. A layout of this market is shown in figure 3. At the east end of the property, tracks of the Illinois Central Railroad cross 1st Avenue at grade. These tracks form the eastern and southeastern boundaries of the property. On the part of the property situated on the south side of 1st Avenue, there are a warehouse; a so-called commercial shed; 2 farmers' sheds; a building housing a cafe, 1 wholesale store, and public rest rooms; and open stalls or parking spaces for the use of farmers.

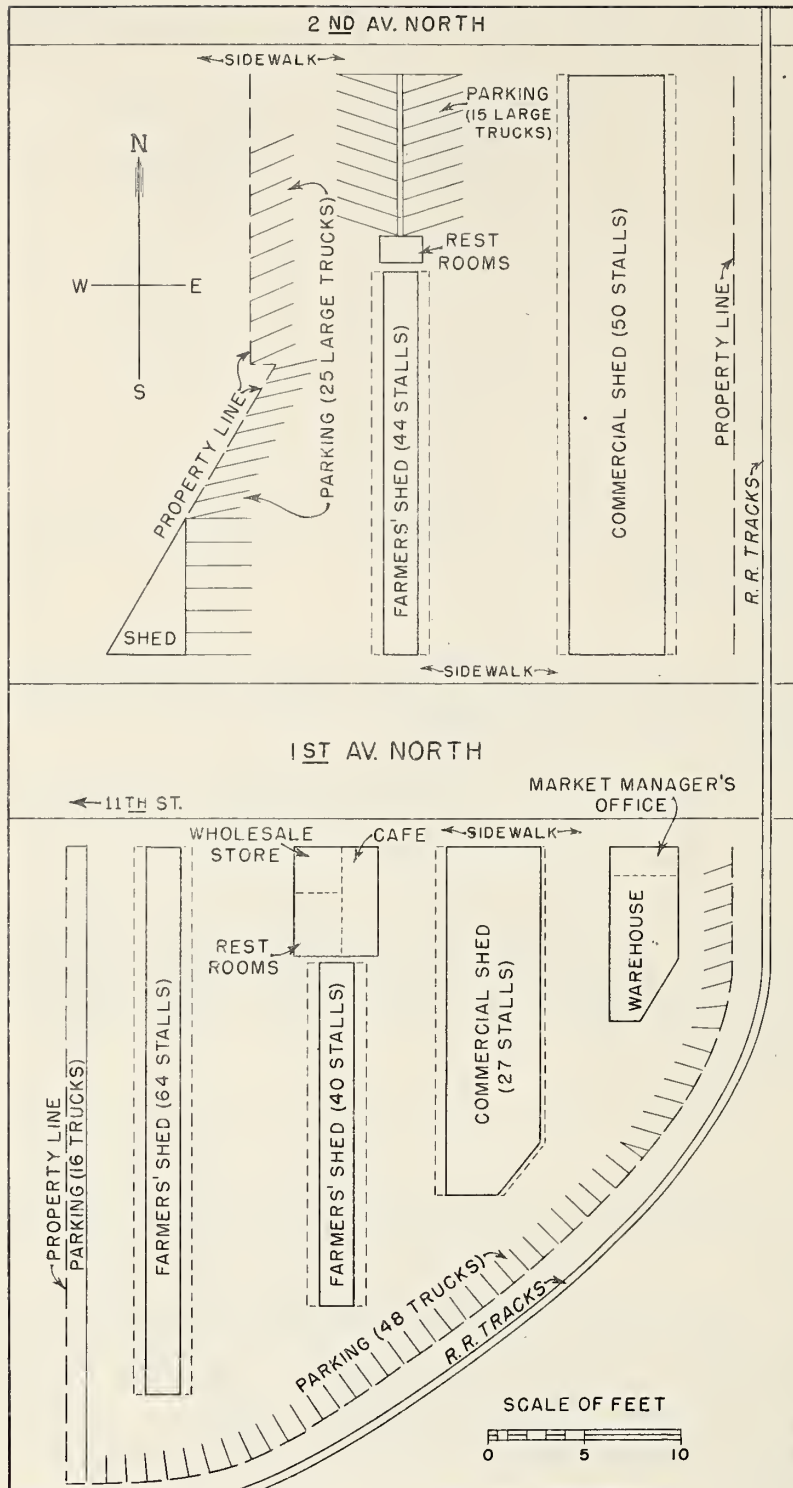


Figure 3.--Layout of Jefferson County Truck Growers Association Market.

The warehouse is a 2-story building with a sidewalk frontage of 36 feet on 1st Avenue and a depth of 90 feet. It contains an office for the market manager and storage space for farm supplies.

The "commercial shed" has a frontage of 50 feet on 1st Avenue and a depth of 180 feet, except at its southeast corner where a diagonal wall reduces its depth to about 155 feet and its width to about 25 feet. This shed contains 27 stalls, each 12 feet wide and 20 feet deep. Between the rows of stalls a space or walkway 10 feet wide runs longitudinally the entire length of the building. Individual dealers occupy spaces ranging from 1 to 7 stalls. Dealers' spaces are separated one from another and from the center walkway by heavy mesh wire. The concrete floor of the building is level with driveways and the front sidewalk. Eaves are about 12 feet above ground level. On the east side the roof extends only 2 feet beyond the building wall, whereas on the west side, there is an overhang of about 6 feet. The ridge pole of the building is about 18 feet above ground level.

In the $1\frac{1}{2}$ -story building, the wholesale store occupies a space with a frontage of about 25 feet and a depth of nearly 23 feet. The cafe has an 18-foot front and is 55 feet deep. Public rest rooms in the rear are about 35 feet by 25 feet.

Forty farmers' stalls are under a shed extending south about 180 feet from the rear of the building housing the wholesale store, cafe, and public rest rooms. Sixty-four additional stalls are in a shed extending south about 285 feet from the sidewalk on 1st Avenue. Individual stalls, 8 feet long and 6 feet deep, are arranged along each side of the shed in groups of two. Concrete platforms 16 feet long, 6 feet deep, and 3 feet high make up 2 stalls. Each 2-stall group is separated from the next by an aisle 2 feet wide. Running longitudinally of the shed between stalls is a paved walkway 6 feet wide at street level. The roof is supported by posts at the outer edge of the concrete platforms. This roof extends 6 feet beyond the platforms on each side and has a clearance of 13 feet above ground level.

Around the eastern and southeastern borders of the property, open parking spaces have been marked off to accommodate 48 trucks. Each truck may be parked head-on into a space 10 feet wide. Along the western border there is space for parallel parking of 16 trucks. Driveways between sheds and buildings are paved but the driveways serving open parking spaces nearest the railroad are unpaved.

These driveways are various widths. The driveway between the warehouse building and the eastern border of the property is only

28 feet wide; that between the warehouse and the commercial shed is 36 feet wide. The driveway between the commercial building and the first farmers' shed is only $36\frac{1}{2}$ feet wide near the street but it widens to about 50 feet in the space beyond the end of the $1\frac{1}{2}$ -story building. Between farm sheds the driveway is 70 feet wide except near the front, where the $1\frac{1}{2}$ -story building encroaches to the extent of 12 feet. The driveway between the larger farmers' shed and the western border of the lot is about 40 feet wide.

On the north side of 1st Avenue, a "commercial shed" 300 feet long and 50 feet wide contains 50 stalls, each 12 feet wide and 20 feet deep. Its longest dimension is perpendicular to 1st Avenue. This shed, like the one on the south side of the street, has a center walkway 10 feet wide and spaces of individual dealers are separated by heavy mesh wire. Its concrete floor is also at ground level, with a concrete apron extending 6 feet beyond building walls on each side. Its pitched roof extends on each side 6 feet. Eaves are 16 feet above ground level, and at the ridge pole the height is about 24 feet. Individual dealers occupy spaces ranging from 1 to 15 stalls.

Parallel to this commercial shed is a farmers' shed containing 44 stalls. The construction of this shed is exactly like that of the farmers' shed on the south side of the street and individual stalls are arranged in a similar fashion. At the rear of this farmers' shed is a small brick 1-story building, 22 feet by 14 feet, containing public rest rooms.

Between the building that houses the rest rooms and 2d Avenue, North, open parking spaces to accommodate 15 large trucks have been designated. A walkway 3 feet wide separates two groups of angular parking spaces. Additional open parking spaces for 25 large trucks have been marked off along the western border of the market. An open shed with a frontage of 40 feet on the 1st Avenue sidewalk is located on a triangular spot in the extreme southwest corner of the lot.

Driveways are of various widths. The driveway between the railroad and the commercial shed is 35 feet wide. That between the commercial shed and the farmers' shed is 78 feet wide. Between the farmers' shed and the small open shed facing 1st Avenue the driveway is about 100 feet wide nearest the street. However, the angular property line reduces this driveway width to about 50 feet near the rear end of the farmers' shed.

The Jefferson County Truck Growers Association derives its principal income from rents assessed permanent occupants of sheds,

and store space, and from fees charged farmers and truckers who use space on a daily basis. The association also sells fertilizer, containers, and other farm supplies. In recent years, daily fees have accounted for about 55 percent of the rental income and the remaining 45 percent has come from tenants using facilities on a year-round basis. In 1952, stalls in the commercial shed on the south side of 1st Avenue rented for \$25 per month and those in the shed on the north side of 1st Avenue rented for \$20 per month. Annual dues of \$50 per year entitled the paying member to use of a regular stall under one of the farmers' sheds.

Daily rentals to nonmember farmers and truckers are \$0.50 for pickup trucks, \$1 for large trucks, and \$1.50 for trailer trucks. Payment of the designated fee entitles a seller to the use of stall space for 24 hours. Multiple fees are frequently collected for the use of stall space, this situation being brought about when a regular patron fails to appear and claim his space or when any occupant releases a space when sold out for the day.

Employees in the market consist of a market manager, 3 assistants whose chief duties are collecting fees and policing the market, and from 2 to 4 laborers for cleaning the market premises. The market is open 24 hours a day, 7 days a week.

Fruit and Vegetable Stores on Truck Growers' Market

Fifteen small wholesalers who occupy space rented from the association paid rents totaling nearly \$18,500 in 1952. In their assigned stalls, many have installed offices, refrigerated rooms, and ripening rooms. Six have small offices in which total floor space amounts to 556 square feet; the others transact business over desks or shelves along walls of the building. Ten dealers have installed refrigerated rooms ranging in capacity from $\frac{1}{4}$ carlot to 3 carlots. Total refrigerated space in the 15 stores amounts to approximately 12 carlots. Three of the dealers have small rooms for ripening tomatoes. The total capacity of these ripening rooms is about 5 carlots.

Other Fruit and Vegetable Stores

Of the 6 dealers referred to as direct receivers of fruit and vegetables by rail and truck, 2 are located on 1st Avenue, North, one block west of the Jefferson Market; one is on 2d Avenue immediately adjoining the farmers' market; 2 are in the 1700 block of Morris Avenue; and one in the first block of 18th Street, South. Locations of these dealers are shown in figure 2. There are rail connections to 4 of the 6 wholesale stores, 1 store is between team tracks, and the sixth store

is 6 blocks from the nearest team track yard. Four of the stores conduct their operations on the first floor; the other 2 stores have two floors. All 6 stores have platforms of truck-bed height where motortrucks may be serviced. In the 2 stores where bananas only are handled, and where single-floor operations are conducted, modern temperature-controlled rooms have been installed. Neither banana nor tomato ripening rooms are contained in the other 2 stores where first-floor operations are exclusive, but adequate refrigeration rooms have recently been installed in these stores. In 1 of the stores where business is done on 2 floors, there are modern refrigerated rooms on the first floor, and large tomato ripening rooms on the second floor. In the other multiple-story warehouse, modern refrigerated rooms and banana and tomato ripening rooms with large capacity have been installed on both first and second floors. Elevators and power conveyors are used in stores that have more than a single floor. Of these 6 dealers, 2 own the stores in which they do business, 3 rent premises from railroads, and 1 rents from a private owner.

Of the remaining 3 small dealers who obtain much of their supplies from direct receivers, 2 are located on 1st Avenue, North, 1 block west of the Jefferson Market. The remaining dealer in this group is in the 2000 block of Morris Avenue. Locations of all stores are shown in figure 2. All 3 stores have rail connections. Two of them service trucks at platforms of truck-bed height and at the third store there is no platform. In 1 store, operations are on a single floor, 1 has first and second floors, and the third store occupies a 3-story building. Ample refrigerated rooms have been installed on the first floor in each store. Elevators are in use at multiple-story locations. None of the properties are owned by the store operator.

Independent Poultry and Egg Stores

The 20 independent poultry and egg stores are in scattered locations in the metropolitan area. The locations of 13 stores in the city proper are shown in figure 2. Other stores are in suburban areas. In all these stores, modern equipment for the killing, processing, and cold storage of poultry and for the candling and packaging of eggs has been installed. This equipment is necessary to comply with regulations of the Birmingham-Jefferson County Department of Health, under whose supervision the business is conducted. The ownership of store facilities was not established in the survey.

Slaughtering Plants, Packer Branch Houses,
and Independent Meat Stores

Slaughtering plants, packer branch houses, and stores of independent meat dealers are in locations scattered throughout the metropolitan area. Two federally inspected slaughtering plants and two operating under local inspection are within the city at locations shown in figure 2. Two other locally inspected plants are in Bessemer, and one in Leeds. The locations of 5 packer branch houses and 7 independent dealers within the city also are shown in figure 2. One independent dealer is located in Bessemer. All facilities used in the processing and handling of meat and meat products have modern equipment and adequate refrigerated space to meet requirements of Federal and local inspection standards.

Chain Store Warehouses

Locations of the 2 chain store warehouses are shown in figure 2. Each of these warehouses has a rail connection where cars may be unloaded over protected platforms of car-door height. Trucks are serviced over platforms of truck-bed height where protection from the weather is furnished by canopies or an overhanging second floor of the building. In one of the warehouses produce is handled on a single floor. In the other warehouse, space in the basement and on the first and second floors is used, produce being moved between floors by an elevator. Each warehouse has adequate refrigerated rooms. Semilive skids, roller conveyors, and 4-wheel hand trucks are in general use in these warehouses.

Public Cold Storage Warehouse

A public cold storage warehouse is located between 4th and 5th Avenues, South, at 22d Street. Its location is shown in figure 2. The capacity of this plant is reported to be 550 carlots.

On a spur track alongside a protected platform on the 5th Avenue side, four rail cars may be spotted. Trucks are serviced from truck-bed-height platforms in a recessed section on the 22d Street side and from a protected platform at the opposite end of the multi-story building.

Team Tracks

All rail lines entering Birmingham place carlots of fruits and vegetables for delivery on team tracks in the downtown section of the city. Team tracks most commonly used are in Powell Avenue Yard, west of 18th Street, South; and those along both sides of Morris Avenue between 14th and 18th Streets. The capacity of these 2 team track yards is in excess of 200 cars. The locations of all team tracks used for the delivery of perishable freight are shown in figure 2.

City Taxes and License Fees

The city of Birmingham imposes taxes and license fees on nearly all firms and individuals engaged in distributing food products in the city.

Each wholesale dealer is assessed a minimum of \$100 yearly. Business in excess of \$100,000 is taxed at the rate of 3/40ths of 1 percent.

Truckers who visit the wholesale market pay an annual tax of \$100 for each truck.

Wagon wholesalers, those who buy in Birmingham and sell to retail outlets in the city, are taxed at the rate of \$75 per year.

Retail peddlers are assessed \$50 per year for the privilege of peddling fruits, vegetables, poultry, and eggs on city streets. An additional \$10 is charged if the peddler sells bakery goods.

On the farmers' market an annual fee of \$50 is collected from those who sell watermelons and cantaloups at wholesale. If the same commodities are sold at retail only, the yearly fee is \$15.

A farmer-producer is exempt from city taxes and license fees and is permitted to sell at wholesale or retail anywhere in the city.

Major Defects in Market Facilities

The farmers' market and wholesale stores were located, built, and expanded to meet the needs of individuals or groups and without benefit of any plan for coordinated operation.

In the preceding description of existing facilities certain defects in location, arrangement, and building structure have been noted. Since any program for market improvement should be designed to correct existing inefficiencies, it is appropriate that they be examined in greater detail.

Outstanding defects in the Jefferson County Truck Growers Association Market fall naturally into three main groups:

1. Undesirable location. The market is located in the downtown section of the city, less than a mile from the retail shopping center. It is on a street heavily burdened with traffic to which market trucks contribute a substantial volume, thus adding to congestion and delay. The market is bisected by this main street. A rail line crossing the

street at grade along the eastern boundary of the market creates a dangerous situation. It is impossible to confine the 2 sections of the market within a fence. Other facilities such as wholesale stores and chain store warehouses are located from 3 blocks to a mile off the market. It is impossible to furnish direct rail service to the market.

2. Limited area. Dealers, farmers, and others who use the market were nearly unanimous in condemning the limited space available. In interviews they pointed out the principal defects that make for difficult operation of their business. These included: (1) The insufficient number and inadequate size of stalls and parking spaces for farmers and truckers; (2) the lack of parking space for large trucks of out-of-town buyers; (3) the restricted width of driveways; and (4) the poor arrangement of farmer and commercial sheds.

Consequences of these defects are traffic congestion, delays in the handling of perishable produce, and an inefficient market operation.

3. Faulty design of sheds and buildings. In commercial sheds all floors are at street level. Dirt and refuse from the streets accumulate on these floors and it is necessary to handle all receipts and deliveries by transferring them between truck-bed and store levels by hand. The absence of platforms prevents effective use of labor-saving devices. The center passageway prevents consolidation of space occupied by a dealer and invites pilferage. Low ceilings of commercial sheds on the south side and solid partitions in those on the north side cause faulty ventilation in the sheds.

In the farmer sheds the concrete platform interferes with free movement of produce from sellers' trucks to those of buyers. In many cases, packages must be carried a considerable distance by hand. Roofs over sheds do not extend far enough to give protection to produce loaded on trucks backed into spaces along sheds. Eaves of projecting roofs are of a height insufficient to allow movement of large trucks.

The commingling of wholesale and retail business in the farmers' market invites confusion. Offerings by farmers of local vegetables at peak harvest seasons and of special crops brought into the city by truckers frequently attract large numbers of household buyers to the market. Customarily, these retail buyers come in private vehicles which are parked in streets adjacent to the market, aggravating the already congested traffic situation.

Except for the fact that wholesale fruit and vegetable stores located away from the Truck Growers' Market are scattered through the city, few serious defects in these facilities were noted. One store without rail

connections receives most incoming shipments by truck. At the other store having no rail connection, nearly all deliveries are made from rail cars set on team tracks within 100 feet of the store. Only 1 store is without a platform. It is probable that operators of 4 multi-story stores could effect appreciable savings by doing business on a single floor.

INTEREST IN THE DEVELOPMENT OF A NEW WHOLESALE PRODUCE MARKET IN BIRMINGHAM

To meet the demands of a growing population in the territory served, wholesale food dealers in Birmingham have, in recent years, found it necessary to expand and modernize their facilities. Unfortunately, when these changes were made dealers acted independently, without a plan that might have led to a consolidation of facilities in one area. Dealers who now operate in facilities reasonably well adapted to their individual needs find it difficult to see how their situation would be improved if all wholesale business were consolidated in one area.

Officers and members of the Jefferson County Truck Growers Association have long recognized the inadequacy of their present market and indicated that they will actively support any plan for improvement, especially a plan leading to a consolidated market. Almost without exception, nonmember farmers and truckers who use the present market deplored existing conditions which have resulted largely from the limited and outmoded facilities offered them. These groups would use new facilities. Also, among 15 small dealers who now occupy space in commercial sheds on the farmers' market, 10 favored improvements and said they would use space in a new market; 2 were satisfied with their present facilities; and 3 were undecided, saying that their use of a new market would depend on its location and rentals to be charged compared with those now paid. Of the 3 small dealers located in stores away from the farmers' market, 2 said they would move to a new location, but the remaining dealer in this group indicated that he would continue operations in his present store.

The six dealers who receive a major part of the direct rail and truck shipments of fruits and vegetables coming into the city for independent sale are located in stores that are reasonably good for handling the type of business now being done. Although all six agreed that the farmers' market is badly in need of improvement, none indicated a desire to participate in its development at present.

None of the independent dealers in poultry and eggs were interested in moving to a new location at present.

Two independent dealers in meat and meat products were considering expansion and relocation of their facilities. Each had his own plan for these changes, but saw some advantage in being located on or near a new market, if built.

POSSIBLE APPROACH TO IMPROVED WHOLESALE FACILITIES IN BIRMINGHAM

In Birmingham, as in other cities where improvement of wholesale markets is desirable, sellers, buyers, and the community can best be served and maximum operating efficiency realized by consolidating wholesale facilities in a single market area. Present interest on the part of farmers, truckers, and a group of wholesale dealers is sufficient to suggest an approach to a consolidated market under a progressive plan which might start by correcting serious defects in the present market.

The most serious shortcomings in the Birmingham market are found in the area of the farmers' market. No satisfactory expansion of space nor rearrangement of facilities can be made at the present site. It is, therefore, necessary to think in terms of a new location for this part of the wholesale market. Many of the advantages of a consolidated market would, of course, be lost if changes consist only in improvement and relocation of facilities on the farmers' market. In developing plans it will be desirable to look to the future when changed conditions and a more receptive attitude on the part of other dealers may permit further consolidation of facilities. Any expedient should be planned as the initial step in a broader and more inclusive development. The development should, in itself, be self-supporting and its operation clearly demonstrate savings in the cost of distribution.

To assist interested groups in deciding on the feasibility of making present or deferred improvements designed for strictly wholesale operations, it appears prudent to discuss in some detail the problems incident to these changes. These discussions will relate to: (1) The type and number of facilities needed; (2) selection of a market site; (3) the cost of new development, land, and buildings; (4) sources of income, and amount of revenue needed to support a market; (5) comparison of cost of operations in a new market with present costs; (6) the type of corporate bodies best suited to build and manage the market; and (7) alternative use of properties now used as a market.

Type and Number of Facilities Needed

In considering the type and number of facilities now needed it is necessary to make assumptions as to the number of operators who might occupy facilities in that part of the market to be moved. In the

following suggested plan, provision has been made only for those who have said they would use space, and the facilities provided are of a size sufficient to handle a volume of business comparable to that now transacted.

For the use of 5 dealers whose volume and style of business requires permanent stores with rail connections and to provide a warehouse for a business in farm and market supplies, a 1-story building about 205 feet long and 60 feet wide would be needed. No basements would be needed. This building should be so constructed that partitions would divide it into 9 store units, each $22\frac{1}{2}$ feet wide. The building should have covered platforms 24 feet deep in front and 12 feet deep in the rear. The rear platforms should be approximately 55 inches high, which would be about the same height as floor racks in refrigerated cars, thus permitting better use of wheel-type equipment for unloading or loading cars at the store. The front platform should be about 45 inches high—the average height of truck beds. The roofs above the platforms should be 14 feet above street level and the roof over the front platform should extend beyond the edge of the platform to protect loading and unloading trucks. The posts supporting the roof over the front platform should be set in from the edge to prevent interference with the loading and unloading of trucks.

The ceiling of the building should be approximately 18 feet high to allow for the construction of a mezzanine office at the rear. The office should be 15 feet deep, $22\frac{1}{2}$ feet wide, and $8\frac{1}{2}$ feet above the first floor, leaving about a 9-foot ceiling in the office. Access to the office should be by a stairway from the first floor. From this office the proprietor would be able to view the front half of the store and the front platform where most of the trading takes place. Rest rooms could be placed on the mezzanine. Overhead doors approximately 20 feet wide should be provided at the front of the store. In the rear, standard double doors about 10 feet wide should be adequate. For the convenience of buyers, a continuous step $22\frac{1}{2}$ inches high and about 2 feet wide may be placed adjacent to the front platform. This step would not interfere with the use of the platform by large trucks and would serve as a loading platform for panel trucks as well as a step for pedestrians.

A design for a wholesale store building, as described above, is shown in figure 4.

With store units $22\frac{1}{2}$ feet in width and double spur tracks located at the rear of the building, a total of 8 refrigerator cars (average length 45 feet) could be set behind the building at one time.

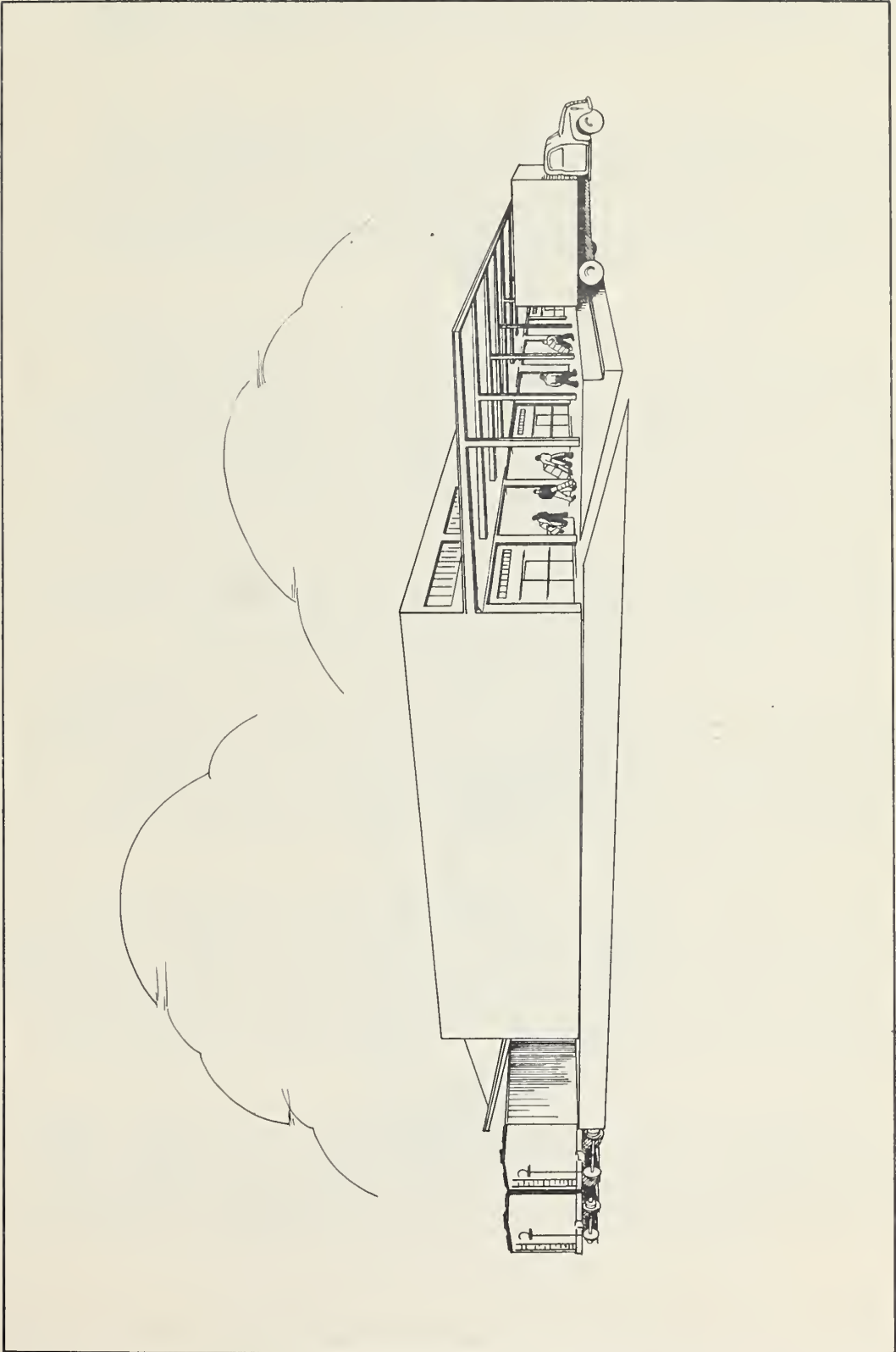


Figure 4.--Design for a wholesale market building.

The paving at the rear of the stores, where the spur track is placed, should be at the level of the top of the rails to permit use of the rear platform by trucks when rail cars are not placed there.

The advisability of including in the store buildings such features as ripening rooms, coolers, and other equipment can be determined only after the exact requirements of lessees and the availability of funds are known. In most markets, experience has shown that, because of widely divergent requirements among individual dealers, it is desirable that each lessee provide his own special equipment.

It is assumed that the business in farm and market supplies will be operated by the farmers' association. One store unit should provide ample space for handling a considerably larger volume of business than that now being done. This business might be expanded to include pesticides, seeds, containers, and other items used in the production and marketing of farm products, and might be developed into a more valuable service to market patrons.

A design for a sales shed for the use of 7 dealers who now conduct a year-round business in fruits and vegetables on a small scale, and who seldom get direct rail receipts, is shown in figure 5. This type of shed would be called a dealer-trucker shed.

To contain the space required for doing a volume of business comparable with that now handled, this shed would be about 220 feet long and contain 11 stalls, each 20 feet by 20 feet. It should be a frame structure over a platform 32 feet wide. The platform should be 45 inches high, and a step about 24 inches wide and $22\frac{1}{2}$ inches high should extend the full length of the shed on both sides of the platform.

On one side of the platform stalls 20 feet by 20 feet would be constructed by enclosing 20 feet of the platform width. In front of each stall there would be covered platform space 12 feet by 20 feet. If, in this location, an aisle 6 feet wide is kept clear for the use of buyers and the exchange of goods between stalls, a space 6 feet by 20 feet in front of each stall will remain for the delivery of merchandise.

The platform should be covered with a roof 42 feet wide, which would provide an overhang of 5 feet on each side of the shed. Space in the enclosed section should be divided by temporary partitions which could be installed and rearranged, if necessary, to permit use

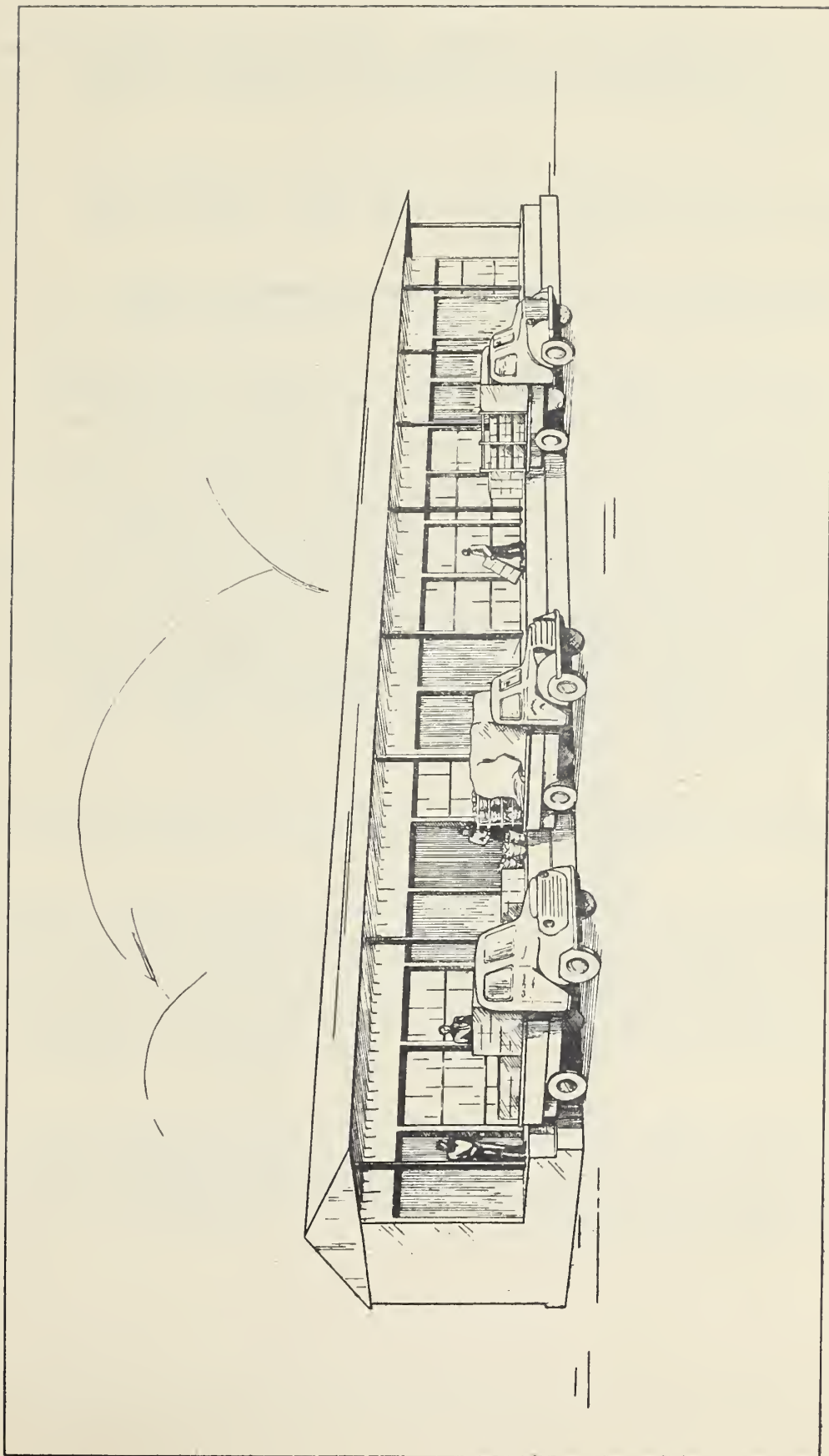


Figure 5.--Design for a dealer-trucker shed.

of one or more stalls by an occupant. Sellers' trucks could back up to the enclosed side of the platform for unloading. Buyers could use the opposite (open) side of the platform for loading out purchases.

The design of a farmers and truckers' shed considered best suited for use in Birmingham, where high summer temperatures prevail, is shown in figure 6.

The A-shaped roof protects a center driveway and sales platforms extending on each side for the full length of the shed.

The shed roof has a span of 104 feet between the eaves which are 14 feet above ground level. Under the center of this roof a paved street 60 feet wide, to be used by the buyers, should run the entire length of the shed. On each side of this center street raised platforms 15 feet wide should extend the length of the shed. These platforms may be from 39 to 48 inches high, the height depending on the type of truck to be accommodated. Tail gates of trucks from nearby farms will differ materially in height from those of trucks which originate in more distant producing areas. For this reason, the truck-bed height of the majority of trucks that frequent the market should be used in determining the height of platforms. The column supports for the roof are centered on these two platforms at regular intervals, thus providing a maximum of unobstructed platform space. The eaves of the shed roof should extend 7 feet beyond the platform.

A roof of sheet aluminum with a ventilator at its peak would give maximum protection from heat and allow for a flow of air under the shed.

This type of shed provides a completely covered 60-foot driveway for buyers' trucks, which should park at right angles to the platforms. The sellers' trucks should park at right angles to the outside edges of raised platforms. The extended roof gives cover to the back of each seller's truck. Produce offered for sale may be displayed on the platform and delivery to trucks of buyers made in an efficient manner.

A shed of this type about 250 feet long would provide a total of 50 sellers' stalls, each 10 feet wide. This space should be ample for the conduct of strictly wholesale transactions except in peak seasons, when the overflow of sellers could be accommodated in open spaces in the parking areas.

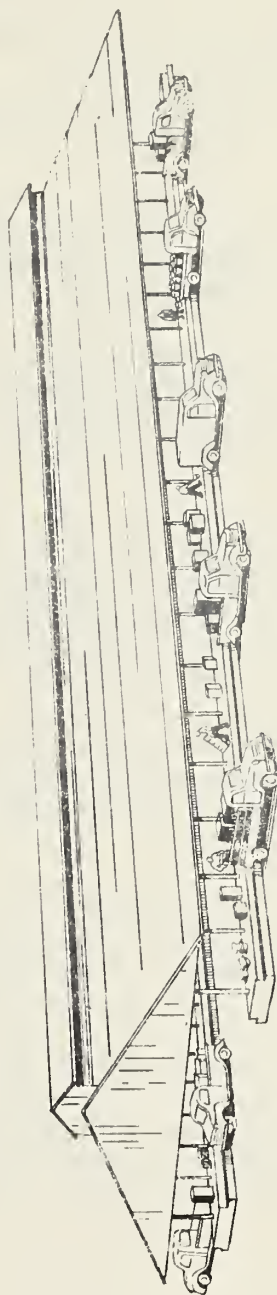


Figure 6.--Design for a farmers' shed.

An increased demand for protected space could be met by building another shed.

The second rail spur behind store buildings may be used as a team track.

A small office for the market manager could be set aside in the unit used for farm supplies.

Public rest rooms could be located at one end of the farmers and truckers' shed.

It is desirable to provide a paved area suitable for parking trucks and other vehicles visiting the market. This area should contain space for a minimum of 200 trucks or other vehicles.

It is possible that there may be a demand in the market area for auxiliary services, such as a restaurant and service station. Inclusion of such services could be met through lease of space on the market to private operators who would construct and manage the facilities.

In view of the possible growth of market business and the inclusion of other dealers not participating in the initial development, it is desirable to provide adequate space for expansion. The original layout, shown in figure 7, provides for the expansion of all facilities in an orderly manner.

The entire market area should be enclosed by a well-constructed and durable fence. Gates with locking devices at all entrances and exits would assist the management in enforcing regulations and in policing the area.

In the layout shown in figure 7, the site is rectangular in shape and the railroad spur enters the market area at one end. Under these ideal conditions, about $8\frac{1}{2}$ acres would be needed to provide for the facilities described above.

In view of the almost certain demand for future expansion, if a successful market is built, a much larger acreage should be acquired. To assure adequate space for initial construction and for probable expansion, the site selected should contain a minimum of 15 acres. More acreage would be desirable.

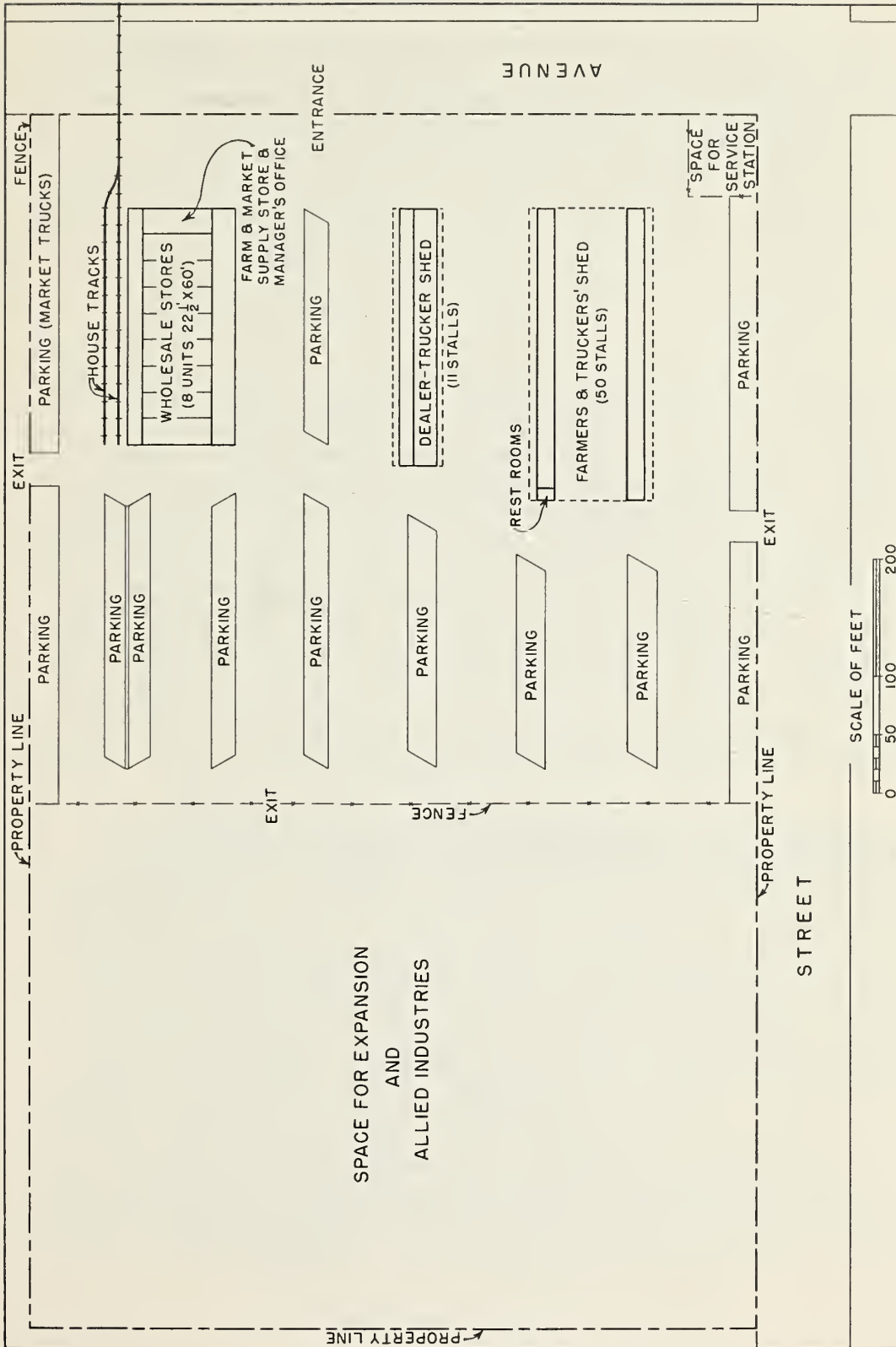


Figure 7.--Possible arrangement of facilities for a wholesale produce market on a site containing 15 acres, Birmingham, Ala.

Selection of a Market Site

A plan under consideration involves improvement and relocation of only a part of the present wholesale market. If it is followed, many of the advantages of a consolidated market will be lost. This situation emphasizes the importance attached to the selection of a site. To minimize the inconvenience and, insofar as possible, preserve correlated operations, the new location should be accessible to the established locations where many prominent dealers intend to continue business. To take care of future space requirements, including facilities for dealers who now choose to remain in their present locations, the site should contain acreage much in excess of that now needed.

The people most directly concerned with the location of a new market may be divided into four groups: (1) Buyers, both local and out-of-town, who go to the market for their supplies; (2) sellers, both nearby and distant producers and shippers, who either bring or ship produce to the market; (3) dealers who would use facilities on the market; and (4) transportation agencies. Indirectly, many other groups are concerned in the selection of a market site. Among these are consumers in the area, since a proper site is essential to economical distribution. The city of Birmingham has an interest in the selection of a site because of its effect on zoning ordinances, traffic control, street and highway planning, sanitary regulations, and other city services.

In reaching a conclusion as to the most suitable location for the market, six principal factors should be considered.

1. A location most advantageous for local distribution. A principal service performed by wholesale handlers in Birmingham is the distribution of food within the city. In 1952 an estimated 67 percent of total fruits and vegetables handled by all Birmingham wholesale dealers was distributed to retail food outlets within the metropolitan area. Dealers and farmers for whom space is provided in a new market reported their operations conformed to this overall distribution pattern. The ideal location for a wholesale market to serve these local outlets would be a site at the shortest average distance from these establishments, assuming, of course, that such a site is at a point which can be easily reached over existing or proposed streets. Buyers for retail outlets who go regularly to the market for supplies would share with wholesalers who maintain delivery service the economies incident to a convenient location. Because they depend regularly for supplies on the wholesale market, retail grocery stores were selected in establishing a point convenient to local outlets. The locations of all retail grocery stores in Birmingham were spotted on

a city map. From these locations, a center was determined representing the nearest point to all stores; that is, a center with as many stores east of this point as there are west of it, and as many north of the point as south of it. No consideration was given to the size of the stores. This center is at the corner of 15th Street and 10th Avenue, North. If the point now most convenient to retail outlets in Birmingham were the only factor to be considered, the wholesale market should be located near this center of retail stores. However, other factors must be given weight in making a final determination of the location.

2. Convenience for out-of-town buyers. It is estimated that in 1952, 33 percent of the fruits and vegetables handled by prospective tenants in a new market was distributed by truck to destinations outside metropolitan Birmingham. No predominant direction governed this distribution—the produce moved in all directions from the city in about equal volume. It is possible that at a new location there may be an increase in volume moved to out-of-town customers. To most out-of-town buyers who visit the Birmingham market and who have already traveled considerable distances to the city, some additional travel to the market is of little consequence if the site is accessible over routes free of traffic congestion. This is also true for wholesalers whose trucks deliver to out-of-town destinations.

3. Convenience for rail receipts. Prospective tenants in a new market report very few direct receipts by rail in 1952. However, in a new market rail receipts of these dealers may increase, and it is possible that other dealers who customarily receive most of their supplies by rail may locate on the new market. This makes it advisable to select a site to which rail service can be extended.

4. Convenience for receipts by motortruck. The equivalent of more than 2,000 carlots of fruits and vegetables was reported as received by truck from nearby and distant areas in 1952 by dealers, farmers, and truckers who are prospective tenants in a new market. These truck receipts came to the market from all directions. It is, therefore, impossible to establish a point equally convenient for all concerned. However, as in the case of out-of-town distribution, most produce coming to the market by truck has already been transported a considerable distance and a few extra miles of travel on routes free of traffic congestion will not be a serious matter, nor will the extra distance greatly affect prompt deliveries.

5. A location that will avoid nonmarket traffic. The handling of produce necessarily involves a large amount of trucking of heavy and bulky merchandise. The normal and necessary movement of trucks and

automobiles, even in a well planned market, can cause considerable congestion. When other vehicles not related to the market business also move through the market area, necessary market traffic may be seriously impeded. Therefore, it is important that a new market be located in an area which is reasonably free of nonmarket traffic, where the market may be fenced and nonmarket traffic excluded.

6. Availability of land at reasonable cost. The cost of land on which a new market is to be developed (including the cost of placing the land in condition for construction and the cost of removing buildings from the site if that is necessary) will have a direct influence on the cost of the project and on the amount of rental income required to amortize the investment. The cost of 15 acres of land may represent a substantial part of the total market development cost. This makes it essential that the land be obtained at a reasonable cost if the maximum benefits of the new market are to be realized.

Possible Market Sites

During the survey numerous sites were suggested by dealers, farmers, railroad officials, and other local interests. Of these suggested sites, the seven shown in figure 2 were selected as having possibilities for the development of a wholesale market. A layout similar to that described can be placed on any one of these sites. Other sites were suggested, but failed to meet requirements. If additional sites become available, their desirability as a location for a new market also should be fully explored and analyzed.

Site No. 1

This site is on Green Springs Highway (truck route U. S. No. 31—State Route No. 149) about 1 mile from the Truck Growers' Market. This triangular piece of land, with a frontage of approximately one-half mile on the highway, contains about 15 acres. It is bounded on the northwest by Green Springs Highway; on the northeast by 6th Street; on the southeast by 10th Avenue, South; and on the south by 16th Avenue, South. There is a low spot near the south central part of the tract and two drainage ditches run from this section toward the highway, one in a northerly and the other in a northeasterly direction. Except for these places, which would require fill and grading, the land is level. There are no buildings on the site, but it would be necessary to remove numerous trees in preparing the site for building. All utilities are available along Green Springs Highway. Rail service can be made available from the Louisville and Nashville Railroad tracks which parallel the highway at this point. However, since the property is separated from the railroad by the highway, the construction of an overpass would be required to bring rail service to the site. The property is in the hands of one owner. Its appraised market value is \$8,000 per acre.

Site No. 2

This site is on Green Springs Highway (truck route U. S. No. 31—State Route No. 149) about 2 miles from the Truck Growers' Market. At present, it is being used as a public dump. This nearly rectangular piece, with a frontage of about one-fourth mile on Green Springs Highway, contains approximately 25 acres. It is bounded on the east by Green Springs Highway; on the south by a line parallel to and about 500 feet north of the city line; on the northwest by tracks of the Louisville and Nashville Railroad; on the north by a line running from the junction of the Louisville and Nashville Railroad and Green Springs Avenue to a point on Green Springs Highway about opposite of 2 Way.

The main part of this tract is now well below the grade of Green Springs Highway but is gradually being filled with solid material. By continuing this filling project for several months, together with the removing of trees and the leveling of higher ridges along its outer boundaries, this property could be made suitable for a market location.

Utilities are available in bordering streets. Rail service can be extended to the site from tracks of the Louisville and Nashville Railroad, which adjoins the site. The property is owned by the city of Birmingham and is not assessed for tax purposes. Its market value has been appraised at \$1,000 per acre.

Site No. 3

This site, near the Ingalls Iron Works, is about three-fourths of a mile from the Truck Growers' Market. The tract is nearly rectangular except at its eastern end, where a small portion extends into a triangle. It is bounded on the northeast by 6th Street, extended; on the south by Theta Avenue; on the west by 4th Place; and on the northwest by tracks of the Alabama Great Southern Railroad (Southern Railway System). It contains approximately 19 acres. About one-half of its area along Theta Avenue and 4th Place is reasonably level. From this level area the land gradually rises toward 6th Street, extended, and near the corner formed by this street and the railroad tracks, it is about 18 to 20 feet above the level part. Projected highway improvements call for the extension of 6th Street over the railroad by construction of an overpass. There are no buildings on the site, but preparation for development would include the removal of numerous large trees from the higher ground in addition to grading operations. All utilities are available in bordering streets. Rail service can be extended to the site from tracks of the Alabama Great Southern Railroad. Property is in the hands of one owner. Appraised market value is \$5,000 per acre.

Site No. 4

This property is in Pratt City, about $3\frac{1}{2}$ miles from the present wholesale market area. This rectangular tract is bordered on the north by 3d Street; on the west by Avenue "W"; on the south by a line perpendicular to Avenue "W" from a point opposite of 3d Way; and on the east by Pratt City Park. It contains approximately 20 acres.

Near the southwest corner of the site there is a low spot which would have to be filled with material taken from the center of the site, where ground is much higher than along Avenue "W." There are no buildings nor other obstructions on the site.

Between this site and a rail line used jointly by the Louisville and Nashville Railroad and Southern Railway System, a property about equal in size is being developed for an industrial site. A rail spur extended to serve this industrial site could be extended to serve a market developed on site No. 4. Utilities now being made available to the industrial site could be extended to site No. 4. The land is now in the hands of a single owner. Its appraised market value is \$1,500 per acre.

Site No. 5

Site No. 5 is located on the Bankhead Highway (route U. S. No. 78) about $2\frac{1}{2}$ miles from the present wholesale market. It is generally rectangular in shape. It is bounded on the north by Bankhead Highway; on the east by a line nearly perpendicular to this highway starting about opposite the State highway office buildings and running to 16th Avenue; on the southwest, for part of its distance, by 16th Avenue and otherwise by the rear property line of residences that have been built along 16th Avenue; and on the northwest by 2d Street. It contains approximately 16 acres. The land is nearly level except for a low area about 40 feet wide bordering a drainage ditch which runs diagonally across the entire property in a southeasterly direction from near the corner of 2d Street and Bankhead Highway. There are neither buildings nor other obstructions on the property. All utilities are available from bordering streets. Rail service could be extended to the property from lines of the Birmingham Southern Railroad which parallel 16th Avenue about 100 feet to the southwest. The property is in the hands of one owner. Appraised market value is \$2,500 per acre.

Site No. 6

This site, on the north side of Finley Avenue, is about $2\frac{1}{2}$ miles from the present wholesale market area. It is included in a larger

property owned by the Southern Railway Lines. About 25 acres could be made available in a site if the property lying between Finley Avenue and the existing rail tracks were set aside for a distance of about 1,500 feet along Finley Avenue between 2d Place and 4th Place. Land is level and would require very little grading. There are no buildings nor other obstructions on this part of the property. All utilities are available and rail service is already existent. The appraised market value is \$2,500 per acre.

Site No. 7

This site, on Vanderbilt Road, is about $3\frac{1}{2}$ miles from the present wholesale market. It is contained in a larger property owned by the Louisville and Nashville Railroad. Beginning at a point about opposite 35th Avenue and extending to the north to give a frontage of 800 feet on Vanderbilt Road, a site extending westerly to the Louisville and Nashville tracks would contain about 25 acres. The level land in this tract is slightly below the grade on Vanderbilt Road. Otherwise, since there are no buildings nor other obstructions, the site would lend itself to development as a market. All utilities are available along Vanderbilt Road. Rail service could be extended from the Louisville and Nashville tracks. The appraised market value is \$2,500 per acre.

Comparison of Suggested Market Sites

To qualify for market development a site must measure up to present needs and have features that will permit future expansion into a more inclusive facility. These requirements will be kept in mind in making comparisons of the seven sites.

Sites Nos. 1, 3, 5, and 6 are nearly equidistant from the geographical center of retail stores. Existing streets place these four sites on about equal footing for service to local retail outlets. Sites Nos. 2, 4, and 7 are each about a mile farther from the geographical center of retail stores and this disadvantage is not offset because of better highway service to these sites. If the proposed railroad overpass at 6th Street is completed, improved access to east-west streets will place site No. 3 in a highly favored position in respect to convenience for local distribution. Site No. 3 has the advantage of being closest of any site to locations where many wholesale dealers will continue in business.

Sites Nos. 1, 2, 3, 5, and 6 enjoy nearly equal advantages when convenience for out-of-town distribution and the receipt of produce by motortruck are being considered. Sites Nos. 4 and 7 are less favorably located to serve this out-of-town business.

Rail service is adjacent and spur tracks could be extended with little difficulty to serve any location except site No. 1. To reach this site, railroad tracks would have to cross a heavily traveled highway. An expensive overpass would probably be necessary.

Nonmarket traffic, as it now flows, should not seriously compete with trucks using a market on any of the proposed sites. At present, nonmarket traffic is lightest in the vicinity of sites Nos. 4 and 7. The construction of the proposed railroad overpass on 6th Street near site No. 3 might attract more nonmarket traffic to that area.

The Cost of New Developments

In estimating the probable cost of land it has been assumed that properties could be purchased at or near their appraised market value, which was furnished by local interests familiar with these values. In each of the proposed sites an area required for initial construction can be prepared at moderate cost. Costs of grading and filling these required areas in the various proposed sites are comparable and have been omitted from the estimates. Table 4 shows the estimated cost of 15 acres only (the minimum area necessary to assure adequate space for initial construction and possible expansion) in each of the seven suggested sites. However, as land adjoining market developments is likely to increase in value, the purchase of additional acreage would appear a sound investment.

The estimated costs of buildings, paving, rail connections, and other necessary developments on any one of the 7 sites are shown in table 5. These estimates are based on costs of labor and materials in the Birmingham area in July 1953. They are not intended to replace estimates which might be made by local architects and contractors who would submit bids on the basis of the final market plans. The estimates are the best obtainable in July 1953 and should be useful in studying the feasibility of promoting such a development.

The estimated total investment which would be required for land, buildings, and other market developments on each of the 7 suggested sites is shown in table 6.

There may be ways of reducing some of these costs. Costs of paving the market might be reduced somewhat if the city would assume part of the cost. This payment by the city might be in addition to developing streets at market entrances and exits and to improving the streets providing access to the market, which the city would normally do. Some reduction in costs might be made if the railroad would assume

Table 4.--Estimated cost of 15 acres of land for a proposed market on each of 7 sites at Birmingham, Ala., 1953

Cost item	Site No.						
	1	2	3	4	5	6	7
	<u>Dollars</u>						
Value of land 1/	120,000	15,000	75,000	22,500	37,500	37,500	37,500
Legal fees incident to acquisition 2/	7,200	900	4,500	1,350	2,250	2,250	2,250
Total estimated cost 3/	127,200	15,900	79,500	23,850	39,750	39,750	39,750

- 1/ Appraised market value.
2/ 6 percent of value of land.
3/ Does not include cost of grading.

Table 5.—Estimated cost of market buildings and development for a new wholesale produce market at Birmingham, Ala., 1953

Facility	Size of unit	Total units	Cost per unit	Total cost
	Feet	Number	Dollars 1/	Dollars
Stores, without basements	22½x60	9	11,800	106,200
Dealers' and truckers' stalls	32x20	11	1,800	19,800
Farmers' sheds, center driveway	15x10	50	1,000	50,000
Rest rooms		4	1,500	6,000
Railroad tracks				
Lead-in tracks (linear feet)		80	8.50	680
House tracks to serve wholesale stores (linear feet)		405	8.50	3,445
Railroad switch on market		1	1,250	1,250
Paving (square yards) 2/		37,500	3	112,500
Storm sewer (linear feet) 3/		2,500	3	7,500
Floodlights		10	150	1,500
Fence (linear feet)		2,426	3.50	8,490
Subtotal				317,365
Engineering fees, 6 percent				19,040
Total				336,405

1/ Rounded to nearest \$5.

2/ Blacktop combination.

3/ To property line only.

Table 6.--Estimated cost of land, buildings, and other developments for a wholesale market on each of 7 sites at Birmingham, Ala., 1953

Site No.	Cost of land	Cost of buildings and other developments 1/	Total cost
	Dollars	Dollars	Dollars
1	127,200	336,405	463,605
2	15,900	336,405	352,305
3	79,500	336,405	415,905
4	23,850	336,405	360,255
5	39,750	336,405	376,155
6	39,750	336,405	376,155
7	39,750	336,405	376,155

1/ From table 4, rounded to nearest \$5.

the responsibility for building trackage in the market on land leased or sold to the railroad by the market corporation or agency. The agency building the market should explore fully all possible ways of reducing construction costs.

Amortization of investment. The length of the amortization period for an investment of this type should depend on the length of the useful life of the facilities. It is possible to extend the financing of such a project over a long period of time for several reasons. First, the wholesale produce business is a stable one and usually remains in a given location for many years. Second, facilities of the type suggested are of durable construction and should last, with only minor repairs and maintenance, for many years. The buildings also are flexible and could be converted, with only minor alterations, for use by different types of industry.

For purposes of this discussion it has been assumed that the entire investment would be amortized over a 25-year period. Table 7 shows the annual payments that would be necessary to liquidate the investment, at 4 percent interest, on each of the seven suggested sites.

Taxes. The market agency in Birmingham would probably pay taxes on land, buildings, and other facilities the same as any other corporation. Assessed value of the property would be determined by the assessors. However, it has been assumed that 40 percent of the original costs of land and buildings would be used in determining the assessed value, as

Table 7.--Estimated annual payment necessary to amortize the cost of a new wholesale market over a 25-year period, at 4 percent interest, on each of 7 suggested sites at Birmingham, Ala., 1953

Site No. :	Total market investment :	Annual amortization payment 1/ :
:	<u>Dollars</u>	<u>Dollars</u>
1 :	463,605	29,675
2 :	352,305	22,550
3 :	415,905	26,620
4 :	360,255	23,060
5 :	376,155	24,075
6 :	376,155	24,075
7 :	376,155	24,075

1/ Annual payment of \$64.01 per \$1,000 invested, rounded to nearest \$5.

this ratio has been reported to be in general use in fixing the assessed value of other properties in Birmingham. The tax rate in 1952-53 is reported at \$3.60 per \$100 of assessed value. Estimated taxes are shown in table 8.

Table 8.--Estimated annual taxes on a new wholesale market, on each of 7 suggested sites, at Birmingham, Ala., 1953

Site No. :	Estimated total taxable value of property 1/ :	Estimated annual taxes 2/ :
:	<u>Dollars</u>	<u>Dollars</u>
1 :	124,795	4,495
2 :	82,795	2,980
3 :	106,795	3,845
4 :	85,795	3,090
5 :	91,795	3,305
6 :	91,795	3,305
7 :	91,795	3,305

1/ 40 percent of cost of land (table 4) and cost of buildings, fence, and floodlights (table 5). Acquisition fees and engineering fees not included.

2/ At reported 1952-53 tax rate of \$3.60 per \$100 of assessed value, rounded to nearest \$5.

Operating expenses. Estimates of annual operating expenses, excluding taxes, for a new market in Birmingham are shown below. These estimates are based on operating expenses in other markets adjusted as far as possible to conditions in Birmingham.

<u>Item</u>	<u>Dollars</u>
Salaries and wages <u>1/</u>	18,000
Depreciation on one truck	600
Gasoline, oil, repair, upkeep on one truck	400
Light	2,500
Water	3,000
Replacement and upkeep of facilities <u>2/</u>	960
Office supplies and printing	400
Telephone and telegraph	300
Fire and tornado insurance <u>3/</u>	865
Miscellaneous expense	<u>600</u>
Total	27,625

1/ Includes market manager, police, part-time clerk, laborers.

2/ Calculated on the basis of $\frac{1}{2}$ of 1 percent of total cost of facilities, excluding land.

3/ Under required co-insurance clause, insurer must protect buildings at 90 percent of their value. Actual rates are nonexistent until buildings have been constructed and inspected. An estimated rate of 50 cents per \$100 was furnished by a local insurance agent.

Total annual revenue needed. The total amount of revenue needed to meet the cost of operating a market on each of the 7 sites is shown in table 9. In addition, about 20 percent should be added to create a reserve for contingencies, and this amount should be collected until this reserve equals at least the total operating expenses for a year.

Sources of revenue. Market revenue would be derived from rentals and fees charged for the use of facilities on the market, and could be prorated to various groups operating in the market as shown in table 10, which also shows annual rentals that would have to be levied against individual store units and other facilities.

As there is little variation in the total revenue needed to meet annual costs of operation on sites Nos. 1 and 3, an average of the revenue needed on these sites is shown in table 10. Likewise, the variation in total revenue needed on sites Nos. 2, 4, 5, 6, and 7 is slight and the averages are used in table 10.

Table 9.--Estimated minimum annual revenue needed to meet operating costs of a new wholesale market, on each of 7 suggested sites at Birmingham, Ala., 1953 ^{1/}

Cost item	Site No.						
	1	2	3	4	5	6	7
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Amortization	29,675	22,550	26,620	23,060	24,075	24,075	24,075
Taxes	4,495	2,980	3,845	3,090	3,305	3,305	3,305
Other operating expenses	27,625	27,625	27,625	27,625	27,625	27,625	27,625
Total	61,795	53,155	58,090	53,775	55,005	55,005	55,005

^{1/} Does not include reserve for contingencies.

Potential Benefits from Market Improvements

The most important objectives to be gained from improved wholesale market facilities in Birmingham, as in any other city, are reductions in the costs of distribution and improvement in the quality of produce reaching the consumer. The plan discussed involves improvement and re-location of only a segment of the wholesale market. Business will be continued in widely scattered locations, and therefore, only partial benefits can be expected. This points to the necessity of carefully scrutinizing the potential savings to dealers, farmers, and others who may locate their businesses in a new section of the market.

Possible savings to dealers. Estimated savings to dealers are restricted to a group of 12 small operators in fruits and vegetables for whom space is provided in a new market. These 12 dealers now pay rent for their facilities amounting to \$15,480 annually. In wholesale stores and in dealers' and farmers' sheds constructed on any of the lower-cost sites, these same 12 dealers would be required to pay annual rents amounting to \$37,260. The \$21,780 increased rents can be offset by other savings.

These 12 dealers reported that they now sustain losses through pilferage, deterioration, and breakage estimated at \$57,000 per year. In a new market it should be possible to cut these losses to half, a reduction of \$28,500 per year.

Table 10.—Prorated annual rentals needed from facilities to meet operating expenses on a proposed new market, Birmingham, Ala., 1953

Facility	Size of units	Number of units	Annual rent per unit on sites Nos. 1 and 3	Total annual rent on sites Nos. 1 and 3	Annual rent per unit on sites Nos. 2, 4, 5, 6, 7	Total annual rent on sites Nos. 2, 4, 5, 6, 7
	Feet	Number	Dollars	Dollars	Dollars	Dollars
Stores	22½x60	9	1/ 4,140	37,260	1/ 3,420	30,780
Dealers and truckers' sheds, closed	32x20	11	900	9,900	900	9,900
Farm stalls under sheds	15x10	50	200	10,000	200	10,000
Farm stalls open spaces	15x10	100	2/ 150	15,000	2/ 150	15,000
Total annual revenue from facilities				72,160		65,680
Total annual revenue needed				3/ 59,900		4/ 54,390
Reserve for contingencies				12,260		11,290

- 1/ Eight stores for fruit and vegetable dealers; 1 for farm supplies.
2/ Estimated that 100 open stalls will be rented at \$1 per day for 150 days.
3/ Average annual revenue needed for sites Nos. 1 and 3.
4/ Average annual revenue needed on sites Nos. 2, 4, 5, 6, and 7.

The 12 dealers estimated that in new facilities they could handle, with fewer laborers, a volume of business equal to that now done, and also save on payments for overtime work. They estimated that these savings would be equal to the amount now paid to 12 men. Calculated at the reported average wage of \$30 per week, annual savings in labor costs would amount to \$18,720.

This group of dealers reported receipts in 1952 of 55 carlots by rail. The contents of these cars were carted from team tracks to stores at an estimated cost of \$25 per car, or a total of \$1,375. This \$25 per car estimate is for carting only and does not include unloading at the wholesale store. In a new market this amount could be saved by unloading rail cars directly into wholesale stores.

Estimated annual savings from the three sources shown total \$48,595. Deducting from this figure the increased rents needed to support a new market (\$21,780), net annual savings to the 12 dealers amount to \$26,815.

Possible savings to farmers and truckers. It has been estimated that farmers and truckers make 20,000 trips to the Jefferson County Farmers Market in the course of an average year. Farmers interviewed during the survey reported that because of congested conditions in this market they lost an average of 45 minutes on each trip to this market. If comparable losses were suffered by all farmers and truckers using the market, annual losses in time would amount to 15,000 hours. If one-half of the time now lost could be saved in a new market this saving would amount to 7,500 hours each year. Translated into dollar savings on an assumed rate of \$2.50 per hour for a man and truck, the possible annual savings to this group would amount to \$18,750.

The estimated possible savings that have been calculated are limited to those of dealers, amounting to \$26,815, and to farmers and truckers, amounting to \$18,750—a total of \$45,565 annually. It is possible that buyers may be able to save some time on their visits to the market. However, the time saved by this group in the avoidance of traffic congestion will be offset to a considerable extent because wholesale facilities will remain scattered. In order to obtain a complete assortment of produce, buyers will probably find it necessary to visit more than one market.

Benefits to other groups. The city would benefit through the relief of traffic congestion in the downtown area. Sanitary and health regulations could be more easily enforced. Consumers in the area could expect to benefit through receiving produce in better condition and possibly at lower cost.

Who Should Build and Manage the Market

Wholesale dealers, farmers, truckers, buyers, consumers, and the city of Birmingham all will have an interest in the type of management chosen to develop and operate a market. Investors in such a market would, of course, be greatly concerned with its success. Whether public or private funds are used, investors have a right to expect the market to be constructed and operated in such a manner that their investment will be properly protected. In general, wholesale produce markets have long been recognized as institutions necessary to the public interest.

Principal interest in improved market facilities for Birmingham is found in membership of the Jefferson County Truck Growers Association and among smaller dealers in fruits and vegetables who occupy space in the market operated by the association. It is apparent that this group will have to take the lead in the development of plans. A first approach could be the designation of an administrative organization or legal entity, the heads of which should combine firsthand knowledge of the needs for improvement with full confidence of those who will use new facilities. Active participation in a new market project by a large number of farmers and dealers will depend on their acceptance of these leaders as a group qualified to represent them in planning improvements.

Wholesale produce markets may be built, financed, and managed by: (1) Private corporations for profit; (2) State, city, or other governmental agencies; (3) public nonprofit corporations; (4) farmers' cooperative associations; and (5) private nonprofit or limited profit corporations.

Markets have been constructed, financed, and managed by private firms for profit. This type of corporation is not considered suitable in Birmingham because the board of directors and management of such corporations generally are not produce handlers, and experience has indicated that most of these corporations are interested chiefly in revenue and not in the needs of those doing business in the market. Because of the need for dealers to be located in one area, wholesale market facilities, when established and fully occupied, remain for long periods of time and are difficult to move. Under these circumstances, a private corporation would have a kind of monopoly and might increase rents at will without too much concern as to the possibility of tenants moving from the market. Also, the market manager might put into effect undesirable rules and regulations or fail in other ways to operate the market in a manner satisfactory to tenants.

Some markets have been financed, built, and operated by a State, city, or other governmental agency. A number of cities operate public wholesale and retail market places. The chief problem in this type of financing and operation is that persons from outside the city served by the market may not receive full consideration because they have no voice in the city government. Then, too, since the market services producers and consumers over a wide area, many local officials do not feel they should take the full responsibility for providing market facilities. Some cities have reached the limit of their bonded indebtedness and cannot obtain money to build a wholesale market even though rents would amortize the loan.

A public nonprofit corporation is one created by legislative action. This type of corporation offers many desirable features not found in most other types of management. Some of these features are: (1) It permits all interested groups to participate in building, financing, and managing the market; (2) it is definitely nonprofit-making because, when properly created, rents cannot exceed the amounts needed to pay the cost of operation, amortize the investment, and maintain a limited reserve for contingencies; (3) it establishes a continuing organization; (4) it gives some representation on the board of directors to governmental agencies interested in the wholesale market; (5) it does not place a burden on taxpayers of the community in which it is established; and (6) it makes possible the use of eminent domain in acquiring a site. It is doubtful that existing laws in Alabama clearly provide for the charter of a public benefit corporation. If serious consideration were to be given to using this type of corporation in Birmingham, a revision of existing laws might be necessary.

Many successful markets throughout the country have been built and managed by farmers' cooperative associations. In most cases they are assembly or shipping point markets where farmers contribute a major part of the total volume of produce handled. In Birmingham, wholesale dealers in fruits and vegetables with stores on the Truck Growers' Market handle a volume of these products far exceeding that offered by farmers. In the past, commingling of dealer and farmer business on the Jefferson County Truck Growers Association Market has posed no serious management problems. In spite of the limitations imposed by its restricted area and its inefficient sheds and stores, the market has proved a financial success. The experience gained in operating this market for many years should qualify its management to take the initiative in planning a new facility. Cash reserves now held by the association could be combined with money obtained from the

sale of the present market property to create a substantial fund for use in acquiring a new site and starting construction. The possession of these assets should place the association in a position to borrow at favorable interest rates the additional funds needed for initial construction.

A private nonprofit or limited profit corporation 1/ is another organization suited to construct, finance, and manage a wholesale produce market in Birmingham. The advantages offered by a private nonprofit or limited profit corporation should be fully explored by any group in Birmingham responsible for developing a market program. Particularly in view of the possible future inclusion in the market of more diversified business interests, this type of organization should be considered. The charter for this type of corporation should include the following features:

1. All interested groups operating in the market should be represented on the board of directors.

2. Profits of the corporation owning the facility should be limited to a fixed amount or eliminated entirely.

3. A continuing organization should be provided.

4. Ownership of the corporation should always be retained by operators in the market.

5. For the benefit of the city and community, taxes should be paid.

6. If possible, representation of the city or State should be permitted on the board of directors.

On the board of directors, farmers could be represented by a group chosen from the membership of the Jefferson County Truck Growers Association. The dealers could choose representatives from their own group. A responsible merchant-trucker now doing business on the market might be included. These directors should be selected in a democratic

1/ A limited profit corporation is one in which earnings on the investment are fixed at a given percentage. For example, earnings may be fixed in the corporation charter at not to exceed 5 percent or any other percentage.

manner and each group should have equitable representation on the board. A city or State representative on the board would serve in an ex officio capacity.

Neither the desire nor the ability of dealers to become financially interested in a new market is known, but at least they should be given an opportunity to clarify their position before final decision is made as to the type of organization best suited for market development.

Farmer and dealer groups could cooperate in raising the funds needed for purchasing a site and starting construction. The participating interest and financial support required of each group should be allocated in an equitable manner based on the estimated cost and anticipated use of the facilities.

The question might be raised by some dealers about their privilege to own outright the specific facility in which they operate. This question would arise in case the dealers were not a part of the market corporation. In some markets this is the case, and dealers own the facilities in which they operate or they have been given a 99-year lease on the land on which their facilities are built. Experience with such ownership has not always been satisfactory because after 5 or 10 years some dealers may want to expand their space. Also, other dealers may wish to reduce the amount of space occupied. When the facility is individually owned, the dealer is more or less frozen in the space occupied and cannot easily expand or reduce this space to meet changing needs. If facilities are owned by the corporation these changes can be made with little difficulty. This flexibility is much needed in wholesale produce markets because of the constant turnover in occupants and the ever-changing methods of operation. Less confusion and disagreement would occur by having one overall corporation to take care of the financing, renting, and management of the market.

The corporation established to construct, finance, and manage the market should be prohibited from engaging in the wholesale produce market business. It would be the responsibility of the board of directors to assess the rentals on the facilities leased in the market in order to pay interest, principal, salaries, taxes, and the general upkeep of the market. All resources from the market should be used for purposes connected with the market. Although a reserve should be built up in the treasury of the corporation, it should be limited to a certain percentage of the annual revenue and when reserves reach that limit, rents should be scaled down. If the corporation were made strictly nonprofit, income taxes would not have to be paid from earnings.

Although the board of directors would be responsible for policies and overall operation, it is obvious that it would not be able to exercise detailed supervision of the market. The board should delegate full authority and responsibility for these routine matters to a competent market manager. As the success of the enterprise would depend largely on the type of manager selected, it is essential that the most capable man available be employed. His responsibilities would be much greater than those of collecting rents and fees and supervising the personnel necessary for policing and cleaning the market.

His first obligation would be, of course, to carry out the policies of the board of directors in such a manner that the market would be financially successful. It would also be his responsibility to provide, insofar as possible, such services to those who use the facilities as are conducive to a good market. These might include:

1. Maintaining information on sources of supply of various products.
2. Keeping up with conditions on other markets which might provide outlets for products which are seasonally in surplus locally.
3. Collecting and making available to patrons of the market daily market reports from other cities.
4. Working closely with educational agencies in assisting farmers to plan their production program to meet market needs.
5. Maintaining lists of truckers and dealers in other markets who could assist in moving locally abundant supplies.
6. Being continually alert for ways and means of improving the services or effecting a saving to the patrons of the market.

The market manager should be responsible for liaison among all the people on the market and other agencies that might be able to make contributions to the market's improvement and success. This would involve relationships with the city, county, State and Federal agencies interested in markets, and local groups and other organizations related to the wholesale produce business. Every effort should be made by the manager to bring to the market new and improved technological developments at the earliest possible date and, to do this, the manager would have to keep himself well informed on the subject of marketing and on all the new processes that might benefit the market business.

Local conditions will, of course, govern the text of any rules or regulations for operation of the market. However, restrictions of any nature should be held to the minimum needed to assure orderly conduct of market business.

Alternative Use of Present Market Properties

In a previous section of this report, the location of the Jefferson County Truck Growers Association Market in a congested downtown area, and its separation from other facilities where fruits and vegetables are handled at wholesale, have been singled out as major defects in the present market. It has also been shown that only partial benefits and limited savings could be expected to result from improvements which would involve only the Jefferson County Truck Growers Association Market. A "split market" would continue to exist even if the new site were in the proximity of undisturbed wholesale stores. The number of wholesale market districts within the city could be held to a minimum if plans for improvement included sale of the property now owned by the Jefferson County Truck Growers Association and its abandonment as a wholesale market. The deed conveying the property should contain a covenant prohibiting its continued use as a wholesale market. It is believed that the property could be developed for use in light manufacturing or for the storage and distribution of nonperishable merchandise. This sizable piece of real estate, well located in relation to other business properties, has an added appeal to prospective purchasers in that ownership is consolidated and negotiations would be with a single owner. All except two of the fruit and vegetable dealers who said they would use space in a new market rent their present facilities from the Jefferson County Truck Growers Association. Neither of these two dealers owns the stores now occupied. The transfer of wholesale business of farmers, truckers, and dealers from their present facilities to a new market is not an intricate proceeding.

Economic justification for the relocation and improvement of facilities now used by farmers, truckers, and smaller dealers in Birmingham should be measured only by the capacity of new facilities to operate as a self-liquidating enterprise, to supplant existing facilities by rendering more useful or economical service to sellers and buyers, and to bring greater benefits to the community at large than are possible through existing facilities.

After a careful study of the facts brought out in this report as to needed improvements, the estimated cost of new facilities, and possible advantages to be gained, and recognizing the fact that complete consolidation is not achieved, local interests must determine the advisability of proceeding with any plan for relocating and improving the market.

The Transportation and Facilities Branch, Agricultural Marketing Service, U. S. Department of Agriculture, and representatives of the Extension Service and Agricultural Experiment Station, Alabama Polytechnic Institute, will be glad to advise with farm groups, dealers, civic groups, State, County, and city officials, or others interested in the development of improved wholesale market facilities in Birmingham.

